

Paul cosponsors plan to help Americans save for college Parents, others will be able to contribute up to \$1,500 a year into tax-exempt Education Accounts FOR IMMEDIATE RELEASE: Friday, July 25, 1997 WASHINGTON, DC - A measure to allow parents to save up to \$1,500 per year into a tax-exempt "Education Investment Account," is being cosponsored by US Representatives Ron Paul (R-Surfside, Texas) and Kay Granger (R-Fort Worth). The legislation, HR 1810, "The Higher Education and Learning Promotion Act," also allows individuals to contribute to similar accounts for children from low-income families and economically disadvantaged situations.

In letter to their House colleagues on Thursday, Paul and Granger wrote that, "Education tax credits are one of the best ways to assist millions of hard-working Americans achieve their greatest wish: that children have the means to pursue a higher education."

Under the legislation, if parents were to invest the \$1,500 yearly into a plan with a seven-percent yield, they would have access to over \$50,000 for their child's education.

"The key to funding higher education is found in empowering parents and individuals to make their own education choices," said Paul, who is also sponsoring "The Family Education Freedom Act" HR 1816, which would allow parents tax credits of up to \$3,000 per year per child to pay for educational expenses from the earliest ages through college. "Parents and their children know best what higher education needs they have, and they should be free to pursue those goals without the stifling burden of government regulation and taxation."

The Paul and Granger Higher Education and Learning Promotion Act's provisions also make it possible for individuals to make tax-exempt contributions to the education of children besides their own.

"H.R. 1810 makes it possible for more Americans to personally contribute to the betterment of children rather than subsidizing wasteful government programs," they wrote, noting that the involvement of individuals in the educational opportunities of low-income children is the only way "to break the cycle of poverty and allow more American children to reach their potential."

The legislation has been assigned for hearings in the House Committee on Ways and Means. Following hearings and a vote of the Ways and Means Committee, the legislation will go before the entire House, though no time table has been established.